

At a regular meeting of the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, held at the Town Hall, 200 Howell Avenue, in Riverhead, New York, in said Town, on October 5, 2020 at 5:00 p.m. o'clock, Prevailing Time.

The meeting was called to order by Thomas Cruso, and upon roll being called, the following were

PRESENT: Thomas Cruso, Chairman

Robert (Bob) Kern, Treasurer

Anthony (Tony) Barresi, Secretary

James Farley, Asst. Treasurer

ABSENT: Lori Ann Pipczynski, Vice Chairwoman

The following resolution was offered by Member Bob Kern, who moved its adoption, seconded by Member Anthony Barresi, to wit:

RESOLUTION #40-20

DATED OCTOBER 5, 2020.

A RESOLUTION AUTHORIZING THE PROVISION OF FINANCIAL ASSISTANCE BY THE TOWN OF RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY TO 331 EAST MAIN STREET, LLC, G2D CONSTRUCTION CORP., AND G2D PROPERTIES CORP.

WHEREAS, the Town of Riverhead Industrial Development Agency was created by Chapter 624 of the Laws of 1980 and is a public benefit corporation and an industrial development agency of the State of New York (the "Agency") having those powers set forth in, and subject to the requirements of, Article 18-A of the General Municipal Law; and

WHEREAS, the Agency has received an application for financial assistance from 331 East Main Street, LLC, a limited liability company, as Owner of the Project, and G2D Construction Corp. as Project builder, and G2D Properties Corp. as Facility Manager (collectively known as the "Applicant"), all having their address at 36 New York Avenue, Huntington, New York, and all qualified to do business in the State of New York with respect to the elimination of two vacant buildings consisting of vacant retail space on the ground floor and three vacant residential apartments above located at 331 East Main Street, Riverhead, New York (S.C.T.M. No. 0600-129.00-04.00-015.00), with the construction, furnishing, and equipping of a building of approximately 37,385 square feet for the development of a 36 market-rate rental unit apartment community with amenities including approximately 838 square feet of ground floor commercial space and a parking garage at an estimated total project cost of \$13,143,850 (the "Project") ; and

WHEREAS, a public hearing pursuant to Section 859-a of the General Municipal Law was held by the Agency on August 24, 2020 with respect to the application for

financial assistance and the Project and the proposed financial assistance requested by Applicant with respect to the Project; and

WHEREAS, the Agency provided notice of the public hearing to the chief executive officer of each affected tax jurisdiction within which the Project is located; and

WHEREAS, at the Public Hearing all interested parties were provided with reasonable opportunity, both orally and in writing, to present their views with respect to the Project and the providing of financial assistance therefore, as set forth in the notice of Public Hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Members of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, as follows:

Section 1. Based upon the record of the proceedings of this application the Board makes the following findings necessary to provide a reasonable basis for the decisions of the Agency made herein. The total Project cost is \$13,143,850 and would include the elimination of two existing vacant buildings consisting of vacant retail space on the ground floor and three vacant residential apartments above with construction, furnishing and equipping and associated site improvements of approximately 37,385 square feet for the development of a 36 market-rate rental unit apartment community with amenities including approximately 838 square feet of ground floor commercial space and a parking garage located at 331 East Main Street, Riverhead, New York (S.C.T.M. No. 0600-129.00-04.00-015.00). This Project is the first rental apartment construction project to be erected in downtown Riverhead as a market rate residential facility with 26 two bedroom units anticipated to start at \$2,500 per month and 10 one-bedroom units at 2,350 per month for 12 months.

A cost benefit analysis has been prepared and reviewed by the Agency. The Applicant has submitted a Market Analysis and Economic Impact dated June 2020

prepared by Camoin Associates which provides a housing demand analysis and economic impact analysis for the Project determining need and impact of the Project.

The Economic Impact Report estimates that the construction phase of the Project will generate \$7.8 million in economic impact and the operational phase will generate \$1.7 million in economic impact annually to the Town of Riverhead.

The application states that the Project estimates 125 Full Time Equivalent construction jobs for the expected 14-month construction period with an annual average wage of \$75,000 and two (2) Full Time Equivalent employees during the operation phase of the Project with a projected payroll of \$120,000 inclusive of benefits.

The Project is located within a Qualified Opportunity Zone, Empire Zone, and Urban Renewal Area. According to the Internal Revenue Service, Qualified Opportunity Zones were created by the 2017 Tax Cuts and Jobs Act. These zones are designed to spur economic development and job creation in distressed communities throughout the country and U.S. possessions by providing tax benefits to investors who invest eligible capital into these communities. The Applicant will serve as an Opportunity Zone Fund for the purpose of applying for and securing Opportunity Zone federal tax advantages available at this location

This Project will incorporate the core elements of sustainable development, thoughtful land-use planning, Smart Growth principles and high design standards to support the efforts of the Town of Riverhead to revitalize its downtown into a lively, walkable community. The feet-on-the street dynamism and economic impact generated by this Project will be essential to Riverhead's economic recovery after the current pandemic.

The Project conforms to the Town of Riverhead's Comprehensive Plan, Downtown Revitalization Initiative and Urban Renewal Plan which encourages

strengthening the tax base while promoting the integration of commercial and residential uses through development of multi-family residential units with ground floor commercial uses. The Applicant has experience in the development, construction and management of numerous real estate projects located on Long Island.

The mixed-use multifamily downtown housing model is endorsed by nearly every planning and economic organization in the region, including the LI Index, the LI Regional Economic Development Council, the LI Regional Planning Council, Vision Long Island, and the Suffolk County Office of Economic Development. The Applicant has included within its application letters of support for the Project from the Riverhead Chamber of Commerce and Riverhead Business Improvement District. The Applicant shall use reasonable efforts to market units to Riverhead community.

The Board also finds that the Applicant has certified that the Project, as of the date of the Application, is in substantial compliance with all provisions of Article 18-A of the General Municipal Law of the State of New York, including, but not limited to GML section 859-a and section 862. The Board also finds that the Applicant has certified it is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations. This resolution is not effective until it is dated and countersigned by the Applicant as set forth at the foot hereof, certifying the truth of this finding and all other statements of facts and findings made by the Agency in this resolution based upon information provided by the Agency.

Section 2. It is hereby determined that the Agency shall provide Applicant with the following financial assistance with respect to the Project: (i) the provision of an exemption from Sales and Compensating Use Taxes on certain property, including tangible personal property in an amount not to exceed a total value of eligible goods and services in the amount of \$5,434,800, which will provide a maximum sales tax exemption

not to exceed \$468,751 (without additional authorization or amendment) and (ii) a partial abatement of real property taxes by granting a real property tax abatement. The PILOT shall commence Tax Year 2021/2022 and thereafter in accordance with the schedule attached hereto as Schedule A and (iii) the provision of an abatement of the Mortgage Recording Tax on a mortgage not to exceed \$9,000,000. Such mortgage shall be exempt from all mortgage recording taxes except that tax attributable to the Metropolitan Region Mortgage Transportation Tax, currently %.30.

Special District taxes, which are not abated by the Agency are paid to Riverhead Ambulance District, Riverhead Business Improvement District, Riverhead Street Light District, Riverhead Water District, Riverhead Public Parking District, Riverhead Sewer District and Sewer Rent in the estimated amount of \$3,241 for 2020/2021. These Special District taxes will continue to be paid directly by tax bill, based upon the assessment value determined by the Riverhead Board of Assessors without abatement during the term of the Project.

Since taxable status date is March 1st of each calendar year, all taxes will be billed by the Riverhead Tax Receiver for 2021/2022 tax year based upon the current assessed value of \$81,800. For the 2022/2023 tax year, school, county, town, and fire taxes will be billed and collected by the Agency for full distribution to these governments also based upon the current assessed value of \$81,800. Thereafter, PILOT payments to the Agency shall be as shown on the attached Schedule A. PILOT payments will be based upon a valuation of \$793,400 as has been determined by the Board of Assessors. Total PILOT payments to the school, county, town and fire governments will be approximately \$780,500 during the term of the Project. The Executive Director of the Agency is hereby directed to proceed, at the expense of Applicant, to cause agreements and documents to

be prepared that will enable the aforesaid benefits to be provided to Applicant. The financial assistance authorized hereby shall not be effective until closing.

Section 3. The Riverhead Town Board by Resolution declared itself lead agency for the Project, and issued a negative declaration finding that the Project would not have a significant impact upon the environment, The Agency determines that it is an "involved agency", in accordance with the provisions of the State Environmental Quality Review Act with respect to the Agency's providing financial assistance to the Applicant with respect to the Project and has determined that the provision of said financial assistance will not have a significant effect on the environment.

Section 4. The Chairperson or Vice Chairperson of the Agency is hereby authorized, on behalf of the Agency, to execute and deliver standard Agency documents including, but not limited to the Project Agreement, Ground Lease, Lease, Mortgage if necessary, PILOT, and Guarantees, necessary to grant the financial assistance set forth herein upon payment of the Agency fee in the amount of \$82,860. and reasonable Attorney fees. Closing shall occur no later than six months from the date hereof.

All commercial tenants and leases must be approved by the Agency. Approved tenants must file all required annual agency compliance reports. The Project shall allow commercial use of the property which promotes the development of downtown Riverhead in conformance with the goals of urban renewal and revitalization. Therefore, no use shall be permitted for tattoo parlor, massage parlor, check cashing center, calling center, taxi stand, tobacconist or other uses associated with urban blight.


This resolution shall take effect upon the execution of the attached certifications by 331 East Main Street, LLC, G2D Construction Corp. and G2D properties Corp. and delivery of same to the Agency at 200 Howell Avenue, Riverhead, New York 11901.

APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of this 25 day of ~~October~~, 2020.

January, 2021

331 EAST MAIN STREET, LLC

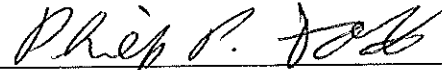


Print Name: Gregory DeRosa

Print Title: Manager

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

On the 25 day of January in the year 2021 before me, the undersigned, a notary public in and for said State, personally appeared Gregory DeRosa personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public


PHILIP P. FOOTE
Notary Public, State of New York
No. 02FO6203482
Qualified In Nassau County
Commission Expires April 6, 2021

APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of this 25 day of ~~October, 2020.~~

January, 2021

G2D CONSTRUCTION CORP.



Print Name: Gregory Drey

Print Title: President

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

On the 25 day of January in the year 2021 before me, the undersigned, a notary public in and for said State, personally appeared Gregory Drey personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public


PHILIP P. FOOTE
Notary Public, State of New York
No. 02FO6203482
Qualified in Nassau County
Commission Expires April 6, 2021

APPLICANT CERTIFICATION:

I hereby CERTIFY AND SWEAR UNDER PENALTY OF PERJURY that all findings and other statements of fact made by the Riverhead Industrial Development Agency contained in the above resolution are complete, true and correct as of this 25 day of ~~October, 2020.~~

January, 2021

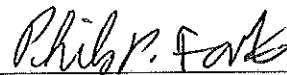
G2D PROPERTIES CORP.


Print Name: Gregory DeRugg

Print Title: President

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

On the 25 day of ~~October~~ January in the year 2021 before me, the undersigned, a notary public in and for said State, personally appeared Gregory DeRugg personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in its capacity and that by its signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

PHILIP P. FOOTE
Notary Public, State of New York
No. 02FO6203482
Qualified in Nassau County
Commission Expires April 6, 2021

The question of the adoption of the foregoing resolution was duly put to a vote on roll call which resulted as follows:

Thomas Cruso	VOTING	Yes
Robert Kern	VOTING	Yes
Anthony Barresi	VOTING	Yes
James Farley	VOTING	Yes
Lori Ann Pipczynski	VOTING	Absent

The resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

I, the undersigned Secretary of the Town of Riverhead Industrial Development Agency, Suffolk County, New York, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Members of said Agency, including the resolution contained therein, held on October 5, 2020, with the original thereof on file in my office, and that the same is a true and correct transcript therefrom and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting.

I FURTHER CERTIFY that, pursuant to Section 103 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public.

I FURTHER CERTIFY that, PRIOR to the time of said meeting, I duly caused a public notice of the time and place of said meeting to be given to the following newspapers and/or other news media as follows:

Newspaper and/or other news media	Date given
The News Review	08-13-20

SCHEDULE A

PILOT PAYMENT SCHEDULE

**Base Assessment of \$81,800 Plus The % Correlating
To The Year Below Of The Increase Of The Assessed Value
Currently Projected To Be \$711,600***

Tax Year	PILOT Payment Percentage of Increase of A.V. Over the Base Assessment
2021/2022	0%
2022/2023	10%
2023/2024	15%
2024/2025	20%
2025/2026	25%
2026/2027	30%
2027/2028	35%
2028/2029	45%
2029/2030	55%
2030/2031	65%
2031/2032	75%

*PILOT payments will be based upon a base valuation of \$81,800 plus an increase relating to the improvements in the amount of \$711,600 for a total assessed valuation \$793,400 as has been determined by the Board of Assessors.

I FURTHER CERTIFY that PRIOR to the time of said meeting, I duly caused public notice of the time and place of said meeting to be conspicuously posted in the following designated public location(s) on the following dates:

Designated Location(s) of posted notice	Dated of Posting
Website	08-12-20
Facebook Page	08-12-20

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency on January, 2020/1

Debra Crum
Secretary Chairman

(CORPORATE
SEAL)